

NEBRASKA STATE BOARD OF PUBLIC ACCOUNTANCY

P.O. Box 94725, Lincoln, Nebraska 68509

Phone (402) 471-3595 or 1-800-564-6111

<http://www.nol.org/home/BPA>

2002
February

NEWSLETTER



Legislative News

LB 864: Senator Bruning of Omaha has introduced a legislative bill this session at the request of the Nebraska Board of Public Accountancy. The purpose of LB 864 is to amend the Public Accountancy Act relating to provisions of maximum fees for examination and licensure for Certified Public Accountants. The amendments will increase the “ceilings” for fees that may be charged by the Nebraska Board of Public Accountancy to carry out its mission to protect the public, but does not automatically increase any current fees being charged.

Specific sections of the Act that deal with examination or licensing fees have been included. All revenue for the Board comes from examination and licensing fees and is deposited into the cash fund “The Public Accountants Fund.” The agency is entirely self-funded; there are no tax dollars or general fund monies appropriated to the Board.

The statutory maximum for examination fees has not changed since 1979, when LB 278 set it at \$200 for an initial sitting. The statutory maximum for most of the licensing fees has not changed since 1979 either. Prior to both of these changes, most of the statutory maximum amounts had not changed since 1976 and 1957.

The mission of the Nebraska Board of Public Accountancy is embodied in Chapter 1 of Nebraska’s statutes, Section 105.01: “It is the purpose of the Nebraska State Board of Public Accountancy to protect the welfare of the citizens of the state by assuring the competency of persons regulated under the Public Accountancy Act through (1) administration of certified public accountant examinations, (2) issuance of certificates and permits to qualified persons and firms, (3) monitoring the requirements for continued issuance of certificates and permits, and (4) disciplining certificate and permit holders who fail to comply with the technical or ethical standards of the public accountancy profession.”

The need to increase the statutory maximums of fees directly correlates to the Board’s ability to accomplish its mis-

sion. LB 864 proposes changes in the maximum that may be charged for the Uniform Certified Public Accountant examination (CPA Exam) in sections 1-119 and 1-120 (from \$200 to \$400); the issuance of certificates and permits to individuals in sections 1-124 (reciprocal certificate from \$200 to \$400), 1-136(1)(a), 1-136(2)(b) and 1-136(3) (from \$100 to \$150 annually); and the issuance of registrations and permits to CPA firms in sections 1-135 (from \$50 to \$100 annually), 1-136(1)(c)-(f), and 1-136(2)(a) (from \$100 to \$150 annually). **It is important to remember that LB 864 only calls for an increase in statutory maximums or limits, not the amounts that would actually be charged.**

The Board’s expenditures over the years have focused on enforcement, training, information technology and other items designed to enhance the Board’s effectiveness as a regulatory body. There are also unavoidable expenditures, however, that are beyond the control of the Board; such as Union/Management negotiated wages and salary increases, benefits including health insurance, the increasing cost of legal fees, and the implementation of the 150-Hour Education requirement.

During the next several years, the Board will be faced with changes in the CPA examination, the education and experience requirements for certification as a CPA, the manner and form in which accountants and firms practice, the organization and structure of the accounting firm, and changes in its office operations. Although some of the changes will be more challenging than others, the manner in which the Board responds will be crucial in all. It is essential that there be flexibility in the statutory fee maximums for the Board to operate for years without requesting legislative changes in these fee maximums on an on-going basis.

Inside This Issue:

Calendar of Events	3
CPA Examination News	3
Disciplinary Action	2
Fee Schedule	4
Legislative News	1

Report on Disciplinary Action

The following is a status report on actions taken by the Nebraska Board of Public Accountancy since the last Newsletter. In accordance with the policy of the Board, disciplinary actions that are a matter of public record are reported in the Newsletter for the information of the licensees. Questions regarding these cases should be directed to Annette Harmon, Executive Director.

HEARINGS

NANCY J. ALEXANDER - DECISION AND ORDER
(Certificate # 4891) Norfolk, NE 12/5/2001

Complaint: The complaint, as filed by the Nebraska Board of Public Accountancy, alleged that Alexander had been convicted of a felony, and that she had committed an act that reflected adversely on her fitness to engage in the practice of public accountancy.

Findings of Fact: After a formal hearing on December 4, 2001, the Board found that Alexander was in violation of the Public Accountancy Act and the Rules and Regulations of the State Board of Public Accountancy by committing an act that reflected adversely on her fitness to engage in the practice of public accountancy, and had been convicted of a felony.

Decision and Order: The Board ordered that Alexander's CPA certificate be revoked effective with the date of the Decision and Order - December 5, 2001.

ORDERS ON APPEAL

JEFFREY L. BENNE - DECISION AND ORDER
(Certificate # 5777) Lincoln, NE 1/25/2001
(The Board reported this matter previously in its August 2001 Newsletter, stating that the Decision had been appealed. That appeal has now been resolved.)

Complaint: The complaint, as filed by the Nebraska Board of Public Accountancy, alleged that Benne had been convicted of a felony, and that he had committed an act that reflected adversely on his fitness to engage in the practice of public accountancy.

Findings of Fact: After a formal hearing on November 17, 2000, the Board found that Benne was in violation of the Public Accountancy Act and the Rules and Regulations of the State Board of Public Accountancy by committing an act that reflected adversely on his fitness to engage in the practice of public accountancy, and had been convicted of a felony.

Decision and Order: The Board ordered that Benne's CPA certificate be revoked effective with the date of the Decision and Order - January 25, 2001.

Appeal: The Board's Decision and Order was appealed by Benne to the Lancaster District Court. **In late December, 2001, the Honorable Judge Merritt issued an opinion which affirmed the Board's Decision and Order. The revocation of Benne's CPA certificate stands.**

Bits & Pieces

***Yellow Page Listings.** As the time approaches for you or your firm to review its telephone directory listings, including the yellow pages, please be sure that non-CPAs in the firm are not listed under the "**Accountants - Certified Public**" classification. Also, the Board has noticed that some directories continue to have a classification titled "Accountants - Public." As of the print date of this newsletter, there are only two Public Accountants left in the state of Nebraska. We would appreciate being informed if this classification is still being used in your local directory. Please send us a photocopy of the listing and the front of the directory (with address and contact information). Thanks!

*** Experience forms and Applications for Initial Permits to Practice.** The Board has implemented a new policy on the acceptance of the "Certificate of Experience" form in the Board's office. Effective immediately, the Board office will not accept a Certificate of Experience form without an application for an Initial Permit to Practice. The experience form will be evaluated in conjunction with the permit application and either be accepted or denied. Additional information may also be requested as part of the evaluation process. The Application for an Initial Permit to Practice may be requested from the Board office. The Certificate of Experience form is available on the Board's web site: www.nol.org/home/BPA.

*** E-mail Survey.** At the end of November 2001, the Board conducted a random e-mail survey of its active permit holders. The question centered around a budgetary issue: "Do you feel the fees that you pay (as a licensee under the Public Accountancy Act) should subsidize the CPA examination fees required by candidates to sit for the exam?" Approximately 600 e-mails were sent out, and the Board received 306 responses! Of the 306 responses, 262 people said "No, licensing fees should not subsidize fees required of candidates sitting for the CPA exam." Forty people said "Yes" and four were unsure. There were many comments as well, and the Board greatly appreciated the rapid response and the candid comments.

*** Interpretation of "place of business" for residency purposes.** The Board has adopted the interpretation that a "place of business" is defined/ interpreted as the location at which one carries on his/her practice of public accountancy; and, for purposes of residency, an applicant must have an actual office location and be able to furnish proof of the office location.

Uniform CPA Examination

NOVEMBER 2001 EXAM STATISTICS

The following statistics were compiled for the November, 2001 Uniform CPA Examination:

New Candidates	68
Re-exam Candidates	102
Total	170

	<u>New</u>	<u>Re-exam</u>
Passed all parts	18	8
Passed on conditioned status		37
Conditioned	13	8
Improved Condition		12
Lost conditioned status		0
Failed	37	37

The following statistics were compiled according to each section of the examination.

<u>Section</u>	<u># Passing/# Sitting</u>	<u>Pass %/ Section</u>
Auditing	53 121	44 %
LPR	61 126	48 %
FARE	62 149	42 %
ARE	46 128	36 %

MANY THANKS TO EXAM PROCTORS

The Board would not be able to conduct the examination without the assistance of many volunteers. It is their willingness to proctor one or two days each exam that makes the examination process secure and successful. Many, many thanks to the following who proctored the November, 2001 CPA examination:

Cindy Brenneman
B. T. Friedrichsen
JoAnn Henke
Wayne R. Meyers
Joann Morrison
Paul H. Powers
Paul W. Reinsch, Sr.
Paul Shoemaker
Gerald A. Wills

The November 2001 exam was held at the newly opened Lancaster County Events Center at 4100 North 84th Street in Lincoln. The May and November 2002 exams will be held at the same location. If you can help with proctoring the May 8-9, 2002 CPA examination, please call the Board office at (800) 564-6111 or (402) 471-3595 in Lincoln, or e-mail Lisa Koch at nbpa02@nol.org.

FUTURE EXAM DATES

- * May 8-9, 2002
- * November 6-7, 2002
- * May 7-8, 2003

All three examinations will be in Lincoln, and are scheduled for the Lancaster Events Center at 4100 N. 84th Street. After May 2003, the CPA examination is expected to be computerized, and more information will be available in the next newsletter.

NOTICE

2002

January 31	CPE Reports for Year 2001 DUE!
February 4	Uniform Grade Mail Date - Nov. Exam
February 18	Holiday - Office Closed
March 24-25	Board Meeting, Lincoln
March 31	Deadline for Applications for May 2002 CPA Exam
April 26	Holiday - Office Closed
May 3	Board Meeting, Lincoln
May 8-9	CPA Exam, Lincoln, NE
May 27	Holiday - Office Closed
May 31	Administrative DEADLINE - to Return Application for Renewal of Permit to Practice
May 31	QEP Reports & Requests for Exemptions are DUE
June 30	ALL PERMITS FOR INDIVIDUALS WITH ODD BIRTH YEARS EXPIRE! ALL FIRM PERMITS TO PRACTICE EXPIRE!
July 4	Holiday - Office Closed
July 7-8	Board Meeting, Lincoln
September 2	Holiday - Office Closed
September 8-9	Board Meeting, Kearney
September 30	Deadline for Applications for November 2002 CPA Exam
October 14	Holiday - Office Closed
November 6-7	CPA Exam, Lincoln, NE
November 11	Holiday - Office Closed
November 18	Board Meeting, Lincoln
November 28-29	Holiday - Office Closed
December 25	Holiday - Office Closed

SCHEDULE OF FEES

(Effective 7/01/2001)

CPA EXAMINATION FEES:

New Candidate		\$200
Re-examination:	All Subjects	200
	2 Subjects	100
	1 Subject	50
	Proctoring Fee	\$100

PERMITS TO PRACTICE:

CPA/PA (Biennial)	\$200
All Firm Types (Annual)	100

INACTIVE REGISTRATION:

CPA/PA (Biennial)	80
-------------------	----

P.C./L.L.C. Certificate of Registration	\$ 25
CPA Certificate by Reciprocity	200
Office Registration (2nd office & ea. thereafter)	50

NO REFUND POLICY: Effective 3/27/95, the Board implemented a no refund policy of all fees paid to the state board.

BOARD OF PUBLIC ACCOUNTANCY

BOARD MEMBERS

Nina B. Kavich, CPA	Chair
William L. Gaines, Jr., CPA	Vice Chair
Michelle R. Thornburg, CPA	Secretary
Terry G. Ellinger, CPA	
H. Dean Graf, CPA	
William C. Nuckolls, Public Member	
Kathleen J. Smith, Public Member	
Roger E. Thompson, CPA	

BOARD PERSONNEL

Annette L. Harmon, CM, Executive Director

Nebraska State Board of Public Accountancy
290 The Apothecary, 140 N. 8th Street
P.O. Box 94725
Lincoln, Nebraska 68509-4725

Telephone: (402) 471-3595
or 1-800-564-6111

FAX: (402) 471-4484

Web site: <http://www.nol.org/home/BPA>

E-mail: nbpa01@nol.org

STATE OF NEBRASKA

Board of Public Accountancy
P.O. Box 94725
Lincoln, NE 68509-4725
63-84-00

Address Service Requested

**PRSRT STD
U.S. POSTAGE
PAID
LINCOLN, NE
PERMIT NO 212**



www.nol.org/home/BPA